

12 JUL 1974

CLAT 2 WALTERS,

Vernon

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Selected Judiciary Committee Evidence

(EXCERPTS)

13. The testimony of Gray before the Senate select committee establishes that the origin of the theory of Central Intelligence Agency involvement in the break-in of the DNC was in the FBI and that Gray communicated the theory to Dean on June 22, 1972. Dean confirmed that Gray informed him on June 22, 1972, that one of the FBI theories of the case was that it was a CIA operation and Dean testified that he reported this to Haldeman and Ehrlichman on June 23.

14. Haldeman's testimony before the Senate select committee confirms that Dean reported to him the FBI's concern about CIA involvement, and that Haldeman in turn reported this to the President, who ordered Haldeman and Ehrlichman to meet with the CIA officials to insure that the FBI investigation not expose any unrelated covert operation of the CIA. The uncertainty regarding the possibility of uncovering CIA activities was recognized in a memo dated June 28, 1972, from Helms to Walters.

15. The President stated on May 22, 1973, that it did seem possible to him that because of the involvement of former CIA personnel, the investigation could lead to the uncovering of covert CIA operations totally unrelated to the Watergate break-in. The President stated he was also concerned that the Watergate investigation might lead to an inquiry into the activities of the Special Investigations Unit. Gray testified that on July 6, 1972, the President told him to continue to conduct his aggressive and thorough investigation of the Watergate affair.

EXHIBIT No. 131

29 June 1972

MEMORANDUM FOR RECORD

At 1145 on 27 June 1972, I saw John Dean at his office in the Executive Office Building.

I told him that I had spoken to Director Helms and found that what I had said to Dean the previous day did indeed reflect Helms' views accurately. That he felt any involvement of the Agency would be most counter productive and furthermore, we had a legislative constraint about the expenditure of our funds within the United States. We had to clear them with the Chairmen of the CIA Oversight Committees in both House and Senate. This visibly lessened his enthusiasm.

I then repeated my arguments that this caper while presently seeming very large would be overtaken by other spicier developments. Unfortunate though its consequences might be currently, Agency involvement by direction at the highest level would undoubtedly become known sooner or later and would then reach to people who were still uninvolved. He nodded. I said that my mind boggled that such risks as those involved in this caper could have been taken for such an unremunerative target. Involving the Agency would transform what was now a medium-sized conventional explosive into a multi-megaton explosion and simply was not worth the risk to all concerned.

Dean thanked me looking glum and said he agreed with my judgment in all of these matters.

Vernon A. Walters

Lieutenant General, USA

File memo by CIA deputy director after meeting with Dean.

(By memorandum dated March 27, 1972, to Charles Colson, Hunt had requested assistance in changing the annuity benefit option he had selected upon retirement from the CIA. By memorandum dated March 30, 1972, to Kehrli, Richard Howard, Staff Assistant to Charles Colson, had inquired respecting Hunt's situation. At the top of the original of the Howard memorandum, there is a handwritten note: "Noble—Please let me know on this w/

o giving out any info. on the name of the fellow we're trying to help. B." At the bottom of that memorandum there is a handwritten note "OK—Drop as of April 1, 1972 BAK." On May 5, 1972, Hunt had written a letter on White House stationery to CIA General Counsel Lawrence Houston, renewing his request respecting his benefit option and stating that he had discussed the matter with the White House legal staff.)

31. On June 23, 1972, H. R. Haldeman met with the President and informed the President of the communications between John Dean and the CIA. The President directed Haldeman to meet with CIA Director Richard Helms, Deputy CIA Director Vernon Walters, and John Ehrlichman. Haldeman has testified that the President told him to ascertain whether there had been any CIA involvement in the Watergate affair and whether the relationship between some of the Watergate participants and the Bay of Pigs incident was a matter of concern to CIA. The President directed Haldeman to discuss White House concern regarding possible disclosure of covert CIA operations and operations of the White House Special Investigations Unit (the "Plumbers"), not related to Watergate that had been undertaken previously by some of the Watergate principals. The President directed Haldeman to ask Walters to meet with Gray to express these concerns and to coordinate with the FBI, so that the FBI's investigation would not be expanded into unrelated matters that could lead to disclosure of the earlier activities of the Watergate principals.

32. In the early afternoon of June 23, 1972, John Mitchell, Campaign Director of CRP, met with Maurice Stans, Chairman of FCRP, in Mitchell's office. They discussed the Dahlberg and the Mexican checks. Stans knew at that time that these checks were campaign contributions that Hugh Sloan, Treasurer of FCRP, had given to Gordon Liddy to be converted to cash.

33. At approximately 1:30 p.m. on June 23, 1972, pursuant to the President's prior directions, H. R. Haldeman, John Ehrlichman, CIA Director Helms and Deputy CIA Director Walters met in Ehrlichman's office. Helms assured Haldeman and Ehrlichman that there was no CIA involvement in the Watergate and that he had no concern from the CIA's viewpoint regarding any possible connections of the Watergate personnel with the Bay of Pigs operation. Helms told Haldeman and Ehrlichman that he had given this assurance directly to Acting FBI Director Gray. Haldeman stated that the Watergate affair was creating a lot of noise, that the investigation could lead to important people, and that this could get worse. Haldeman expressed concern that an FBI investigation in Mexico might uncover CIA activities or assets. Haldeman stated that it was the President's wish that Walters call on Gray and suggest to him that it was not advantageous to push the inquiry especially into Mexico. According to Ehrlichman, the Mexican money or the Florida bank account was discussed as a specific example of the kind of thing the President's wish that Walters call about. Following this meeting, Ehrlichman advised Walters that John Dean was following the Watergate matter on behalf of the White House.

34. On June 23, 1972, at 1:35 p.m. Dean telephoned Gray and said that Walters would be visiting Gray that afternoon. At 2:34 p.m. on the same day Walters met with Gray and discussed the FBI investigation of the break-in at the DNC headquarters. Walters stated that if the FBI investigation were pushed into Mexico, it might uncover some covert CIA activities and that the matter should be tapered off to the five men under arrest. Gray agreed to hold in abeyance the FBI interview of Manuel Ogarrio. Gray has testified that the FBI continued its effort to locate Kenneth Dahlberg. Gray reported to Dean the substance of his conversations with Walters.

35. On June 23, 1972, at 3 p.m. Maurice Stans met at the CRP offices with Kenneth Dahlberg who, at the request of Stans and Fred LaRue, had flown to Washington that day for the meeting. LaRue and Stans discussed the check drawn by Dahlberg, the money from which had reached the bank account of Bernard Barker. At 5 p.m. on the same day Dahlberg met with Stans, LaRue and Robert Mardian.

36. On or before June 26, 1972, Walters determined that there were no CIA sources or activities in Mexico that might be jeopardized by FBI investigations of the Ogarrio check in Mexico. On June 26, 1972, Walters met with John Dean and advised him that there was nothing in any of the FBI investigations that could jeopardize or compromise in any way CIA activities or sources in Mexico.

37. On or about June 27, 1972, John Dean and Fred Fielding, his assistant, delivered to FBI agents a portion of the materials from Howard Hunt's safe. The materials given to the FBI agents included top secret diplomatic dispatches relating to Vietnam. The portion withheld from the FBI agents included fabricated diplomatic cable purporting to show the involvement of the Kennedy administration in the fall of the Diem regime in Vietnam, memoranda concerning the Plumbers unit, a file relating to an investigation Hunt had conducted for Charles Colson at Chappaquiddick, and two notebooks and a pop-up address book.

38. On June 26 or 27, 1972, Dean met with Walters and asked if there was any way the CIA could provide the bail money or pay the salaries of the persons arrested in connection with the break-in at the DNC headquarters. Walters said the CIA would do so only on a direct order from the President. According to Dean, his proposal to the CIA had previously been approved by John Ehrlichman. Dean also has testified that he reported to Ehrlichman regarding Walters' negative position on the proposal, and that he was asked by Ehrlichman to push Walters a little harder. Ehrlichman has denied receiving these reports from Dean. On June 28, 1972, at 10:45 a.m. Dean met with Ehrlichman. At 11:30 a.m. Dean telephoned Walters and asked Walters to see him in his EOB office. At this meeting Walters and Dean discussed the Dahlberg check and the Mexican checks, and Dean again asked whether the CIA could do anything to stop the FBI investigation of these checks. Walters said there was nothing his Agency could do.

39. On the morning of June 27, 1972, Gray met with Mark Felt and Charles Bates of the FBI to receive a briefing on the latest Watergate break-in developments. During that briefing, Dean telephoned Gray. Gray has testified that in the ensuing conversation he told Dean that if Dahlberg continued

to evade the FBI, Dahlberg would be called before a grand jury. Gray also has testified that he stressed to Dean the importance of an aggressive FBI investigation to determine the motive and identity of all persons involved.

On June 27, 1972, CIA Director Helms received a memorandum from the Chief of the Western Hemisphere Division of the CIA stating that there were no CIA traces on Manuel Ogarrio and that the CIA's last contact with a person named Kenneth Dahlberg occurred in 1961 and concerned the manufacturing of a hearing aid for a high level Peruvian. Later that day, Helms told Gray that the CIA had no interest in Ogarrio. Helms confirmed with Gray their plan to meet the following day.

40. On June 28, 1972, at 10:25 a.m. Dean telephoned L. Patrick Gray about rumors of leaks from the FBI, the material from Hunt's safe, a slowdown in the investigation, and the tracing of the Mexican money. According to Gray, he may have told Dean during this conversation of the meeting he had scheduled with Helms for 2:30 p.m. that day. At 10:45 a.m. Dean met with John Ehrlichman. At 10:55 a.m., Ehrlichman telephoned Gray. Gray has testified that when he returned the call at 11:17 a.m., Ehrlichman said, "Cancel your meeting with Helms and Walters today; it is not necessary." At 11:23 a.m. Gray called Helms to cancel their meeting. Helms asked Gray to call off interviews which the FBI had scheduled with two CIA employees. (In July 1971, pursuant to a request from Ehrlichman to Deputy CIA Director Robert Cushman, the two CIA employees had provided Howard Hunt with disguises, hidden cameras, and other material for use in domestic clandestine operations. In requesting CIA assistance for Hunt, Ehrlichman had told Cushman that Hunt "has been asked by the President to do some special consulting work on security problems.")

41. On June 28, 1972, Helms wrote a memorandum to Walters stating the substance of Helms' conversation with Gray. Helms stated the CIA still adhered to its request that the FBI confine its investigation to the persons already arrested or directly under suspicion and that the FBI not expand its investigation into other areas which might eventually run afoul of CIA operations.

42. On June 28, 1972, Gray directed that the FBI interview Manuel Ogarrio and continue its efforts to locate and interview Kenneth Dahlberg. On that evening John Dean telephoned Gray at home and urged that, for national security reasons or because of CIA interest, efforts to interview Ogarrio and Dahlberg be held up. Gray thereafter cancelled the interviews.

48. On July 5, 1972, at 5:45 p.m. Acting FBI Director Gray phoned Deputy CIA Director Walters and stated that, unless the CIA provided by the following morning a written report rather than the verbal request to re-interview Manuel Ogarrio and Kenneth Dahlberg, the FBI would go forward with those inter-

views. At 10:05 a.m. on July 6, 1972, Walters met with Gray. Gray a memorandum indicating that the CIA had no interest in Ogarrio or Dahlberg. Gray then ordered that Ogarrio and Dahlberg be interviewed. At 10:51 a.m., Gray called Clark MacGregor, Campaign Director of CRP, who was with the President at San Clemente, California. Gray has testified that he asked MacGregor to tell the President that Gray and Walters were uneasy and concerned about the confusion during the past two weeks in determining whether the CIA had any interest in people whom the FBI wished to interview in connection with the Watergate investigation. Gray also has testified that he asked MacGregor to tell the President that Gray felt that people on the White House staff were careless and indifferent in their use of the CIA and FBI, that this activity was injurious to the CIA and the FBI, and that these White House staff people were wounding the President. MacGregor has denied both receiving this call and the substance of it as related by Gray, but has testified to receiving a call from Gray on another subject the previous evening or possibly that morning. (By letter of July 25, 1973, to Archibald Cox, J. Fred Buzhardt stated that the President's logs do not show any conversations or meetings between the President and Clark MacGregor on July 6, 1972. The President's log for that date shows meetings between the President and MacGregor from 10:40 a.m. to 12:12 p.m., Pacific time.) At 11:28 a.m. the President telephoned Gray. Gray told the President that he and Walters felt that people on the President's staff were trying to mortally wound the President by using the CIA and the FBI. The President responded by instructing Gray to continue to press ahead with the investigation.

55. On Dec. 15, 1972, John Ehrlichman met with CIA director Richard Helms, William Colby of the CIA, and John Dean. They discussed answers to questions posed by Assistant Attorney General Henry Petersen and Assistant U.S. Attorney Earl Silbert. Colby had disclosed on Nov. 27, 1972, to the Federal prosecutors that Ehrlichman was the person who had requested CIA assistance for Howard Hunt in 1971. They also discussed the materials turned over by the CIA to the Justice Department on Oct. 24, 1972.

56. On Jan. 8, 1973, former CIA Deputy Director Cushman sent a memorandum to John Ehrlichman identifying as the person who requested CIA assistance for Howard Hunt in 1971 one of the following: Ehrlichman, Charles Colson or John Dean. On Jan. 10, 1973, after discussions with Ehrlichman and Dean, Cushman changed the memorandum to state that he did not recall the identity of the White House person who requested assistance for Hunt.

57. Early in 1973, Dean met with Assistant Attorney General Petersen. Petersen showed Dean documents delivered by the CIA to the Department of Justice, including copies of the photographs connecting Howard

Hunt and Gordon Liddy with Dr. Fielding's office. On a second occasion prior to Feb. 9, 1973, Dean met with Petersen and discussed what the Department of Justice would do if requested by the CIA to return materials. Petersen told him that an indication that the materials had been sent back to the CIA would have to be made in the Department's files.

58. On Feb. 9, 1973, Dean called CIA Director James Schlesinger. Dean suggested that the CIA request the Department of Justice to return a package of materials that had been sent to the Department of Justice in connection with the Watergate investigation. Deputy CIA Director Walters contacted Dean on Feb. 21, 1973, and refused Dean's request.

H. R. Haldeman testimony, May 31, 1973, Senate appropriations subcommittee executive session:

Mr. Haldeman. Either the 23d or the preceding afternoon, and I am not sure which, afternoon or evening, John Dean, as I can best recall this, and again it is trying to recall events of a year ago, John Dean told me that the



Sketch by David Suter for The Washington Post

FBI was concerned about the question of whether there might be CIA involvement in some aspects of the Watergate affair, either directly or indirectly.

In raising this concern of the FBI, I felt that something needed to be done at that point in time to guide the FBI as to whether there was involvement and, if so, what, and what problems there might be in that respect. I transmitted this report, in essence, to the President, I believe on the morning of the 23d.

I believe that the only area in which I can be helpful to you in your investigation is with regard to the reported meeting of White House and CIA officials last June.

In that regard, on June 23, 1972, John Ehrlichman and I were requested by Richard Helms and Deputy Director Vernon Walters of the CIA. To the best of my recollection, the

purpose of this meeting was five-fold: One, to ascertain whether there had been any CIA involvement in the Watergate affair;

Two, to ascertain whether the relation between some of the Watergate participants and the Bay of Pigs was a matter of concern to CIA;

Three, to inform the CIA of an FBI request for guidance regarding some aspects of the Watergate investigation because of the possibility of CIA involvement, directly or indirectly;

I could interject there that this request had been made known by John Dean, counsel to the President, and had been transmitted by me to the President immediately upon being told of it by John Dean.

The President, as a result of that, told me to meet with Director Helms and General Walters and John Ehrlichman to get into this matter as I am laying it out here.

The fourth purpose was to discuss White House concern regarding possible disclosure of non-Watergate-related, covert CIA operations or other national security activities, not related to Watergate, that had been undertaken previously by some of the Watergate principals.

Fifth, to request General Walters to meet with Acting Director Gray of the FBI to express these concerns and to coordinate with the FBI so that the FBI's area of investigation of the suspects, the Watergate suspects, not be expanded into unrelated matters which could lead to disclosure of their earlier national security and CIA activities.

The meeting was held in Mr. Ehrlichman's office on the afternoon of June 23 and, to the best of my recollection, all of the above points were covered.

As I recall, Director Helms assured us that there was no CIA involvement in the Watergate and also that he had no concern from the CIA's viewpoint regarding any possible connections of the Watergate personnel with the Bay of Pigs operation. Helms told us he had given this assurance to Gray directly.

Walters agreed to meet with Gray as requested. I do not recall having any further communication or meeting with Walters, Helms or Gray on this subject.

I do not specifically recall the question of "Mexican aspects" being discussed at this meeting although I do not question General Walters' report that this was covered. We did discuss the concern that, in the interest of national security and the former relationships of some of the principals, the Watergate principals, with CIA, the FBI investigation be limited to the Watergate case specifically and not expanded into prior activities of the individuals involved.

We did this in the full belief that we were acting in the national interest and with no intent or desire to impede or cover up any aspects of the Watergate investigation itself.

I do not recall any subsequent discussion with John Dean regarding this meeting. I do not recall any discussion at any time of a suggestion to involve the CIA in the Watergate matter ex-

cept as described above. Specifically, I do not recall hearing **Approved For Release 2005/07/01 : CIA-RDP91-00901R000700090033-9** having the CIA furnish bail or pay suspects' salaries while in jail, using covert action funds.

It must be understood that, at the time of our meeting with the CIA, we had only very sketchy knowledge of what and who were involved in the Watergate affair. We had no reason to believe that anyone in the White House was involved and no reason, therefore, to seek any cover-up of the Watergate investigation from the White House.

On the contrary, everyone in the White House was instructed to cooperate fully with the Watergate investigation and, so far as I knew at the time, was doing so.

At the same time, there was concern at the White House that activities which had been in no way related to Watergate or to the 1972 political campaign—and which were in the area of national security—would be compromised in the process of the Watergate investigation and the attendant publicity and political furor.

Recent events have fully justified that concern with the disclosure of the FBI wiretaps on press and NSC personnel, the details of the so-called "plumbers' operation," et cetera.

In summary, the meeting of June 23 with the CIA was held at the President's request in the interest of national security. I do not believe there was any intention to cover up the Watergate. I do not believe there was any direct connection between this meeting and General Walters' reported subsequent meetings with John Dean. I believe I acted properly, in accord with the President's instructions, and in the national interest. . . .

Chairman McClellan. You referred to Gen. Walters' memorandum. I would like to ask some questions about it. . . . It says, "On June 23, at 1300, on request, I called, with Director Helms, on John Ehrlichman and Robert Haldeman in Ehrlichman's office at the White House.

"Haldeman said"—and I want to give you an opportunity to comment on each of these—"Haldeman said that the 'bugging' affair at the Democratic National Committee headquarters at the Watergate Apartments had made a lot of noise and the Democrats were trying to maximize it."

Do you wish to comment on that?

Mr. Haldeman. No, sir. . . .

Chairman McClellan. All right. . . . He states in the next sentence you said the FBI was being called in and was investigating the matter. Did you tell him that, or was that statement made at that meeting?

Mr. Haldeman. In some sense it undoubtedly was. I don't think I needed to tell him that. I think it was pretty well known at that time.

Chairman McClellan. Then he says that the FBI had been called in and was investigating the matter, and he says you said the investigation was leading to a lot of important people and this could get worse. Do you wish to comment on that?

Mr. Haldeman. No, sir. . . .

Chairman McClellan. Do you want to say it is true, or just remain silent about it?

Mr. Haldeman. I would have no characterization of the conversation. . . .

Chairman McClellan. Is his characterization of the conversation wrong, or correct?

Mr. Haldeman. I have no material conflict with it.

Chairman McClellan. Then you said that, or something like that, I would assume, unless you state otherwise.

Then he goes on further to say, "he" meaning you, "asked what the connection with the agency was, and the Director repeated"—I am sure he means Director Helms—"repeated that there was none."

Did Helms tell you that that day?

Mr. Haldeman. As I have so indicated; yes, sir.

Chairman McClellan. Haldeman said that the whole affair was getting embarrassing and it was the President's wish that Walters call on Acting FBI Director Patrick Gray—now, is that much correct, up to there?

Mr. Haldeman. I think that it is subject to interpretation. It isn't correct, Senator. I don't believe that the request that Walters call on the Acting Director of the FBI was in the context of the whole affair getting embarrassing. I think it was in the context. I have laid out in my statement.

Chairman McClellan. Did you tell him that the whole affair was getting embarrassing?

Mr. Haldeman. No, sir; that I recall, no.

Chairman McClellan. You didn't make that statement at the meeting?

Mr. Haldeman. I don't recall making such a statement.

Chairman McClellan. Are you in a position to deny it?

Mr. Haldeman. No, but that is not the flavor of the approach to the meeting that I took. . . .

Excerpts from a memorandum of June 27, 1972, from "Chief, Western Hemisphere Division" to the Director of Central Intelligence. The document originally was marked "Secret/Sensitive" and "Eyes only."

Manuel Ogarrio Daguerre has an office on 156 Paseo de la Reforma in Mexico City. This office is located in the same building as the Banco Internacional of Mexico City. His home address is Cerro de Maika 310, Mexico City. There are no CIA traces on Manuel Ogarrio Daguerre. This man is listed in the Mexico City telephone directory.

Kenneth Harry Dahlberg. The Office of Security gave DCS an approval on 13 July 1965 to contact Kenneth Harry Dahlberg. Security File No. EE 30944 indicates Dahlberg was born on 30 June 1917 in St. Paul, Minnesota. Discussions with DCS reveal Kenneth Harry Dahlberg is president of Dahlberg Company, 7731 Country Club Drive, Minneapolis, which manufactures hearing aids. CIA's last recorded contact with Dahlberg was in May 1961 when he worked on a hearing aid for a high level Peruvian. The cards indicate there was interest in recontacting Dahlberg in April 1965, but there is no record if he was contacted.

The Dahlberg file is in Archives and 28 June 1972. The FBI wanted traces on Kenneth Dahlberg. Thus it is not clear if Kenneth Dahlberg, who is of interest to the FBI is identical with Kenneth Harry Dahlberg, who was in touch with CIA. (Comment: Kenneth Harry Dahlberg originally contacted CIA in 1958 on radio matters, not further specified. There is an outside chance that radio matters could be tied to audio operations.) Additional conversations with the FBI on the working level will be needed to sort out the various interests in the name Kenneth Dahlberg.

Excerpts from an affidavit by a CIA employee dated May 18, 1973. Some deletions were made by the House Judiciary Committee at the request of the CIA.

On 22 July 1971 Mr. E. Howard Hunt, a former Agency employee who had joined the White House staff, called on the Deputy Director of Central Intelligence, General Cushman. I was present in the room because General Cushman usually asked me to sit in on his meetings. When Mr. Hunt arrived he said that he wanted to talk to General Cushman privately and I withdrew.

Later that day General Cushman told me that Mr. Hunt has asked for some help (of an unspecified nature), that he (General Cushman) had checked it out and that it was all right, and that he had told Mr. Hunt to get in touch with me to obtain the assistance. Mr. Hunt called me later in the day and requested aid in obtaining a physical disguise and "pocket litter" documentation in alias to assist him in connection with an extremely sensitive project, which he could not further discuss, and which had been approved by Mr. Ehrlichman. Under these circumstances my presumption was that the request must be legitimate and proper.

I then contacted Mr. . . . , Acting Chief of Technical Services Division, and instructed him to make arrangements for furnishing a physical disguise and alias documentation to an individual (Mr. Hunt), who had insisted that his identity not be known to the TSD officers. I explained to Mr. . . . that the undertaking was for an extremely sensitive project which had been requested by the White House, of which I was not at liberty to describe further and the nature of which I was unaware. I also indicated that because of the sensitivity factor all the requested support should be handled by TSD.

When Mr. . . . explained that it would be necessary for a TSD officer to meet the subject before creating a disguise, and because Mr. Hunt was unwilling to come to the Headquarters building again, I arranged for the TSD officer to meet Mr. Hunt, who was under an assumed name, in an Agency safehouse. I obtained a key to the safehouse from the Office of Logistics on 23 July and passed it to a TSD representative, Mr. . . . I believe TSD was able to provide Mr. Hunt (who dealt with them under the continued

alias of "Mr. Edward") with a disguise and alias documentation. [redacted] day (23 July 1971).

Following my contacts with TSD officers I notified the Executive Assistant to the DDP, Mr. [redacted] that on the instruction of General Cushman I had enlisted the assistance of TSD (which was subordinate to the Directorate for Plans) in a project for the White House which was said to be extremely sensitive and whose nature was unknown to me.

My next contact with Mr. Hunt was a telephone call from him on 18 August 1971 to a request that the Agency furnish a specific secretary (who was named) for a temporary assignment of between 30 and 90 days. Mr. Hunt said that he needed the secretary to work on a highly sensitive assignment and that Mr. John Ehrlichman had suggested that he call General Cushman. Mr. Hunt said that he did not want the young lady's Division Chief to know that he or the White House was involved in the request. Mr. Hunt suggested that the Director's office should immediately recall the young lady from her assignment overseas and explain to all concerned that she was urgently needed for an unspecified special assignment. Mr. Hunt again stressed that White House involvement should not be mentioned. After discussing the case with General Cushman and the Office of Personnel I informed Mr. Hunt that the Agency would be unwilling to withdraw the secretary from her overseas assignment. I suggested that if Mr. Hunt would furnish us with a statement of his requirements we might be able to provide a qualified secretary from Headquarters. Mr. Hunt replied that the individual he had requested was the only secretary he would accept because of the "loyalty factor." Mr. Hunt said that he would discuss our attitude with Mr. Ehrlichman and I heard no more of this particular matter.

Mr. [redacted] records show that we were August 1971 regarding a new request again in contact by telephone on 20 August 1971 regarding a new request from Mr. Hunt for a tape recorder and business cards in alias. Since there was nothing improper in this request and it was consistent with my understanding of the assistance we were authorized to give Mr. Hunt, I instructed Mr. [redacted] to proceed with this assistance.

My records show that Mr. [redacted] called me on 26 August 1971 to express concern about additional assistance that had been requested by Mr. Hunt. I learned that Mr. Hunt had introduced an unidentified associate who had been given a disguise and identification documents in alias. Mr. Hunt had also on about 25 August requested and received training in clandestine photography and was given a camera concealed in a tobacco pouch in connection with a new assignment. Mr. [redacted] expressed concern that Mr. Hunt now possessed a considerable amount of special materials and [redacted] concealed camera was a particularly sensitive item. I agreed with Mr. [redacted]

concern and remarked to Mr. [redacted] that Agency materials in domestic clandestine activity. I told Mr. [redacted] that I would report his call promptly and obtain guidance, and that additional gear should not be given to Mr. Hunt and his requests referred to the Deputy Director's office. (It should also be noted that General Cushman's office was informed only after the camera had been given to Mr. Hunt and his associate outfitted with a disguise.)

I summarized my conversation with Mr. [redacted] in a memorandum for General Cushman and gave it to him the next morning (27 August). My covering buckslip stated that Mr. Hunt's latest request raised two significant problems for the Agency. Mr. Hunt had introduced a stranger into the picture without any word of explanation to General Cushman from the White House. I noted that this unknown person was now aware of Agency support to Hunt in whatever he was doing. I also noted that Mr. Hunt's possession and use of unique clandestine equipment (the disguised camera) in domestic activity of uncertain nature also contained potential for trouble. My buckslip read: "The Agency could suffer if its clandestine gear were discovered (being) used in domestic secret operations." My buckslip continued that I would instruct TSD to clear all of Hunt's requests with the Deputy Director's office and recommend that General Cushman seek Mr. Ehrlichman's assurance that Mr. Hunt's "latest caper" was legitimate. (We were still operating on the assumption that the White House project was proper but feared that Mr. Hunt had exceeded his authority.) My buckslip concluded that "Even then (if Mr. Ehrlichman validated Mr. Hunt's request) this does not relieve the Agency from its vulnerability if associated with domestic clandestine operations against Americans."

I had given my memorandum to General Cushman on the morning of 27 August 1971 when Mr. [redacted] called me again to report additional troublesome requests from Mr. Hunt on the previous day. Mr. [redacted] said that he was increasingly concerned at the nature of assistance requested by Mr. Hunt. The latter was now pressing for fully backstopped documentation and support, including a driver's license and car rental credit cards in alias. Mr. [redacted] said that he had turned down this request. Mr. Hunt also asked that the Agency arrange to backstop a New York telephone number either through an answering service there or by a hook-up which would permit the New York number to be answered in Washington. Mr. [redacted] said that this action was beyond his Division's capability. I told Mr. [redacted] that Mr. Hunt's latest requests drew the Agency even further into the sensitive area of domestic clandestine operations against Americans and that all such requests should be referred to General Cushman's office. Mr. [redacted] said that Mr. Hunt's requests should not be met. I reported Mr. [redacted] call promptly to

General Cushman and recommended its support to Mr. Hunt because he was drawing us into a compromising and dangerous situation in which we were not authorized to be engaged, i.e., facilitating domestic clandestine operations against Americans.

General Cushman's notes on my buckslips indicate that he promptly spoke to Mr. Ehrlichman by telephone at 1100 hours on 27 August 1971, and explained why CIA could not meet Mr. Hunt's requests. General Cushman noted on the buckslip that Mr. Ehrlichman indicated he would call a halt to Mr. Hunt's activities.

I informed Mr. [redacted] on 27 August that General Cushman had notified Mr. Ehrlichman that CIA could not give additional help to Mr. Hunt, that TSD should not accept any more requests from Mr. Hunt, and that Mr. Hunt should be instructed to return the sensitive materials from TSD. TSD records show that when Mr. Hunt next contacted TSD personnel on 31 August 1971 he was again informed that the Agency could not provide further assistance.

Partial transcript of telephone call to General Cushman from John Ehrlichman, July 7, 1971.

Mr. Ehrlichman: I want to alert you that an old acquaintance, Howard Hunt, has been asked by the President to do some special consultant work on security problems. He may be contacting you sometime in the future for some assistance. I wanted you to know that he was in fact doing some things for the President. He is a long-time acquaintance with the people here. He may want some help on computer runs and other things. You should consider he has pretty much carte blanche.

Excerpts from an affidavit by a CIA employee dated Feb. 5, 1974. Names deleted at request of the CIA.

Director Colby's secretary, Miss [redacted] came to my office on Monday morning Feb. 4, 1974. She said that Mr. Colby would like me to go through my files once more to make certain that there were no misplaced transcripts of conversations which had been recorded in the Office of the Deputy Director of Central Intelligence. The recording of visitors' conversations had been done on a very selective basis and this practice was discontinued after General Cushman left CIA in December 1971.

During the morning of Feb. 4, 1974, I went through the papers in my safe in order to determine if any misplaced transcripts of conversations were located there. At the bottom of the second drawer were two folders of material that contained information used for General Walters' orientation briefings after he was appointed Deputy Director of Central Intelligence in March 1972. Under these briefing files I found a brown folder containing ten General Cushman's telephone conversations with members of the White

continued

House staff in 1969, 1970 and 1971. In this folder was a summary of General Cushman's 7 July 1971 conversation with Mr. John Ehrlichman.

These stenographic notes in this folder included summaries of General Cushman's conversations with Dr. Kissinger on leaks of intelligence reports in the press, and his request for an analytical paper on Cambodia. There were also conversations with other White House officials on intelligence leaks and on requests for name checks of foreigners. The conversations with Dr. Kissinger were on top of the file of ten stenographic notes and one memorandum written by the CIA General Counsel. The notes of General Cushman's conversations with Mr. Ehrlichman of 7 July 1971 was included about two thirds of the way down in the file. I had looked at this file in May 1973 when Dr. Schlesinger requested employees to search all files for material which might have been related to Howard Hunt and the Watergate affair. At that time I noted the records of the conversations with Dr. Kissinger and others on matters which were completely unrelated to Watergate. I did not see the single page item on General Cushman's conversation with Mr. Ehrlichman about Howard Hunt, and presumably, inadvertently failed to uncover it when I was paging through these papers.

The file of summary notes of General Cushman's telephone conversations was maintained by his secretary. I usually did not see them when they were made because they were chiefly used by the secretaries to clarify questions which might be raised later. In many cases, General Cushman probably did not see them either. In December 1971 Miss ..., General Cushman's secretary, and I reviewed General Cushman's papers after he left CIA to become Marine Commandant. I decided to retain only those papers which related to General Cushman's conversations with members of the White House staff.

5. On June 23, 1972 Mitchell, Mardian, LaRue and Dean attended a meeting in Mitchell's CRP office. Mardian raised the possibility that since the persons arrested were former CIA people the CIA should take care of its own in furnishing their bail money. It was suggested that Dean determine if CIA assistance could be obtained. Mitchell has testified that to his best recollection the concept of the CIA's providing funds was not discussed in his presence.

6. On or before June 26, 1972 John Ehrlichman told CIA Deputy Director Vernon Walters that John Dean would be Walters' White House contact on matters affecting Watergate. On June 26 or 27, 1972 Dean met with Walters and discussed the possibility of using the CIA to provide funds for the bail and salaries of persons involved in the break-in at the DNC headquarters. Walters rejected the suggestion. The morning of June 28, 1972 Dean repeated the suggestion to Walters that the CIA assist the persons arrested.